

Summary of 2013 Legislation
Alabama Banking Department

The Alabama Banking Department's (Department) legislation offers amendments to six different sections of the Code. These amendments are offered to achieve several results. First is to solidify the Department's ability, under specified circumstances, to examine both subsidiaries and affiliates of bank holding companies that own an Alabama state bank, and bank service companies.

1. The amendment to Section 5-2A-8 further clarifies the Superintendent's right to promulgate regulations and adds bank holding companies in as an entity that may rely on interpretations of banking laws and regulations.
2. The amendments to Sections 5-3A-1 and 5-3A-3 clarify the Department's jurisdiction over the subsidiaries and affiliates of bank holding companies. The Department needs this ability only to ensure compliance with Alabama law and the safety and soundness of Alabama banks. The amendment does not seek periodic examinations of subsidiaries and affiliates. The need to examine is determined by the superintendent if he believes that the company is not being operated in compliance with the laws of the state or in accordance with safe and sound banking practices.
3. The amendments to Section 5-3A-1 give the Department the authority to examine bank service companies on an as-needed basis. Currently, the FDIC has this same authority pursuant to Section 12 U.S.C. 1861-1867. The Department is not seeking authority above that already granted by law to the FDIC.
- 4.. Changes to Sections 5-3A-3 and 5-3A-11 provide for the confidentiality of information the Department receives from subsidiaries and affiliates of bank holding companies and bank service companies.